

Undefinitized Terms - Contracts/Revisions Policy - 3.7.P (12/15/99)

[Last Update: \(12/15/99\) RShibata:dal - 3.7.P.0](#)

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This policy has been reformatted for placement on Sandia's External Web site.

Background - 3.7.P.1

An Undefinitized Terms Contract (UTC) or Undefinitized Contract Revision (UCR) may be used when SNL's interests require that:


- the Contractor be given a binding commitment so that work can start immediately, e.g., negotiating a definitive contract is not possible in sufficient time to meet the actual SNL requirement, or
- it is necessary for an SCR to authorize Contractors to commence work in advance of the actual award of a formal contract, pending agreement on the Ts&Cs and/or price (estimated cost and fixed fee, if any), for performing such work.


Policy - 3.7.P.2

It is the policy of SNL that SCRs shall not use UTCs or UCRs indiscriminately. However, if SNL's interests require issuance of a UTC or UCR, one may be issued in accordance with the following:

- written justification explaining the urgency is required from the requesting organization,
- prior to issuance, the SCR should verify that the Contractor is not a debarred, suspended, or an ineligible Contractor and that the Contractor agrees to notify the SCR immediately if it is placed on the Consolidated List of Debarred, Suspended, and Ineligible Contractors,
- approvals/clearances required for the definitive contract shall be secured prior to placing a UTC or UCR,
- the amount of funds obligated under a letter contract shall not exceed 50 percent of the estimated cost of the definitive contract unless approved in advance by the Director of Procurement and Logistics,
- a UTC and/or UCR normally should not exceed 120 days, and
- definitization of the contract must occur within 180 days after the date of the letter contract or before 40 percent of the work to be performed under the definitized contract. (In extreme cases the Director of Procurement and Logistics may authorize an additional period).

Send feedback on ideas and information on this page to the Process Expert, Esther Hernandez.

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